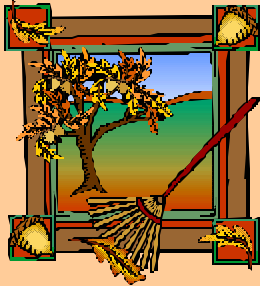


September 2000



North Dakota REV-E-NEWS

**From Rod Backman, Director
Office of Management and Budget
600 E. Blvd. Ave. , Dept 110 - Bismarck, ND 58505 - 0400**

During the first half of the year, real gross domestic product (GDP) expanded at an annualized rate of 5.0 percent and the unemployment rate averaged 4 percent. Despite this robust growth and low unemployment, concerns that the economy might overheat are fading. *Economy.com* believes that policymakers are likely done with their efforts to forestall developing inflationary pressures. This view is due in part to evidence that the economy's growth has moderated in recent weeks.

North Dakota's unemployment rate for July was 2.5 percent, down from last year's July rate of 3.4 percent and down from the previous month's rate of 3.0 percent. The national unemployment rate for July

was 4.0 percent.

August revenue collections totaled \$65.1 million, which is \$1.5 million over projections. If revenues come in as projected through the remainder of the biennium, we anticipate an ending balance of approximately \$61 million.

Comments or Questions???

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Oil Activity

North Dakota currently has 22 oil rigs operating compared to 9 one year ago. Preliminary estimates for July oil production indicated an average of 88,571 barrels per day. Increases in drilling activ-

ity in August and September should reverse the downward trend we have recently experienced in oil production.

The current price of oil is approximately \$27 per barrel.



STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
1999-01 BIENNIUM
AUGUST 2000

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	Legislative Forecast	Actual	Variance	Percent	Legislative Forecast	Actual	Variance	Percent
Sales Tax	\$ 32,108,000.00	\$ 31,762,348.36	(345,651.64)	-1.1%	\$ 363,066,500.00	\$ 358,346,497.40	(4,720,002.60)	-1.3%
Motor Vehicle Excise Tax	4,981,000.00	5,682,322.89	701,322.89	14.1%	60,967,400.00	64,944,070.63	3,976,670.63	6.5%
Individual Income Tax	15,271,000.00	12,867,991.06	(2,403,008.94)	-15.7%	219,742,520.00	229,345,227.45	9,602,707.45	4.4%
Corporate Income Tax	1,312,000.00	759,023.68	(552,976.32)	-42.1%	56,987,000.00	49,991,058.13	(6,995,941.87)	-12.3%
Insurance Premium Tax	140,000.00	2,003,372.18	1,863,372.18	1331.0%	17,900,000.00	21,297,832.17	3,397,832.17	19.0%
Financial Institutions Tax	36,000.00	14.00	(35,986.00)	-100.0%	2,676,000.00	2,382,454.16	(293,545.84)	-11.0%
Oil & Gas Production Tax	955,000.00	1,381,087.33	426,087.33	44.6%	12,743,000.00	25,137,745.40	12,394,745.40	97.3%
Gaming Tax	1,815,000.00	2,125,674.63	310,674.63	17.1%	14,340,000.00	16,045,633.85	1,705,633.85	11.9%
Interest Income	471,000.00	912,374.62	441,374.62	93.7%	8,298,000.00	10,574,369.35	2,276,369.35	27.4%
Oil Extraction Tax	580,000.00	1,316,920.06	736,920.06	127.1%	7,753,000.00	15,383,493.38	7,630,493.38	98.4%
Cigarette and Tobacco Tax	1,906,000.00	1,884,074.65	(21,925.35)	-1.2%	25,404,000.00	25,027,449.06	(376,550.94)	-1.5%
Departmental Collections	1,400,000.00	1,235,564.75	(164,435.25)	-11.7%	22,260,000.00	23,300,985.59	1,040,985.59	4.7%
Wholesale Liquor Tax	464,733.00	471,705.68	6,972.68	1.5%	5,659,596.00	5,903,491.02	243,895.02	4.3%
Coal Severance Tax	941,000.00	979,089.76	38,089.76	4.0%	13,118,000.00	13,050,255.40	(67,744.60)	-0.5%
Coal Conversion Tax	1,053,000.00	1,113,532.87	60,532.87	5.7%	14,321,000.00	14,603,289.74	282,289.74	2.0%
Mineral Leasing Fees	199,760.00	405,808.10	206,048.10	103.1%	2,918,080.00	4,407,379.15	1,489,299.15	51.0%
Bank of North Dakota - Transfer					15,000,000.00	15,000,000.00	0.00	0.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer					862,880.00	862,880.00	0.00	0.0%
Other Transfers		197,714.00	197,714.00	100.0%	1,700,000.00	2,056,365.23	356,365.23	21.0%
Total Revenues and Transfers	63,633,493.00	65,098,618.62	1,465,125.62	2.3%	865,716,976.00	897,660,477.11	31,943,501.11	3.7%

COMPARISON TO PREVIOUS BIENNIUM REVENUES
1999-01 BIENNIUM
AUGUST, 2000

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	August, 1998	August, 2000	Variance	Percent	1999	2001	Variance	Percent
Sales Tax	\$ 27,440,360.46	\$ 31,762,348.36	\$ 4,321,987.90	15.8%	\$ 324,650,583.34	\$ 358,346,497.40	\$ 33,695,914.06	10.4%
Motor Vehicle Excise Tax	4,149,195.74	5,682,322.89	1,533,127.15	36.9%	56,520,240.18	64,944,070.63	8,423,830.45	14.9%
Individual Income Tax	11,607,757.53	12,867,991.06	1,260,233.53	10.9%	207,287,105.59	229,345,227.45	22,058,121.86	10.6%
Corporate Income Tax	2,135,984.76	759,023.68	(1,376,961.08)	-64.5%	69,688,001.32	49,991,058.13	(19,696,943.19)	-28.3%
Insurance Premium Tax	660,252.39	2,003,372.18	1,343,119.79	203.4%	17,428,374.82	21,297,832.17	3,869,457.35	22.2%
Financial Institutions Tax		14.00	14.00	100.0%	2,827,068.03	2,382,454.16	(444,613.87)	-15.7%
Oil & Gas Production Tax	602,287.85	1,381,087.33	778,799.48	129.3%	18,345,448.06	25,137,745.40	6,792,297.34	37.0%
Gaming Tax	1,814,509.14	2,125,674.63	311,165.49	17.1%	14,339,644.54	16,045,633.85	1,705,989.31	11.9%
Interest Income	501,194.78	912,374.62	411,179.84	82.0%	10,887,141.61	10,574,369.35	(312,772.26)	-2.9%
Oil Extraction Tax	489,681.09	1,316,920.06	827,238.97	168.9%	10,855,313.35	15,383,493.38	4,528,180.03	41.7%
Cigarette and Tobacco Tax	1,969,741.21	1,884,074.65	(85,666.56)	-4.3%	26,674,062.19	25,027,449.06	(1,646,613.13)	-6.2%
Departmental Collections	1,399,914.51	1,235,564.75	(164,349.76)	-11.7%	19,864,386.25	23,300,985.59	3,436,599.34	17.3%
Wholesale Liquor Tax	454,032.90	471,705.68	17,672.78	3.9%	5,797,253.46	5,903,491.02	106,237.56	1.8%
Coal Severance Tax	955,892.26	979,089.76	23,197.50	2.4%	11,912,527.21	13,050,255.40	1,137,728.19	9.6%
Coal Conversion Tax	1,054,824.86	1,113,532.87	58,708.01	5.6%	12,705,170.12	14,603,289.74	1,898,119.62	14.9%
Mineral Leasing Fees	246,911.95	405,808.10	158,896.15	64.4%	5,119,950.08	4,407,379.15	(712,570.93)	-13.9%
Bank of North Dakota - Transfer					15,000,000.00	15,000,000.00	0.00	100.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer					705,545.00	862,880.00	157,335.00	22.3%
Other Transfers	577.67	197,714.00	197,136.33	34126.1%	25,197,869.95	2,056,365.23	(23,141,504.72)	-91.8%
TOTAL REVENUES AND TRANSFERS	\$ 55,483,119.10	\$ 65,098,618.62	\$ 9,615,499.52	17.3%	\$ 855,805,685.10	\$ 897,660,477.11	\$ 41,854,792.01	4.9%

Revenue Variances

Sales tax collections in August fell below forecast by \$345,652 or 1.1 percent in the month of August. Biennium-to-date collections are now \$4.7 million or 1.3 percent short of projections.

Motor vehicle excise tax collections exceeded the monthly forecast by \$701,323 or 14.1 percent. Biennium-to-date collections are now nearly \$4 million or 6.5 percent ahead of projections.

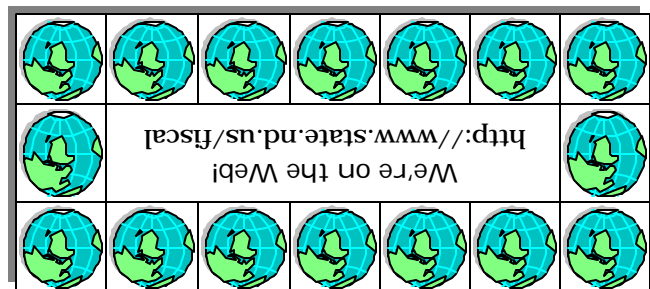
Individual income tax collections fell short of the monthly projection by \$2.4 million or 15.7 percent. Timing of collections is the likely reason for this monthly shortfall. Individual income tax collections have been strong throughout this biennium and are expected to remain strong. Biennium-to-date collections are ahead of projections by \$9.6 million or 4.4 percent.

Corporate income tax collections fell

short of the monthly forecast for August by \$552,976 or 42.1 percent. Biennium-to-date collections are now \$7 million or 12.3 percent behind forecast. The good news is that collections for the month of September have been strong.

Insurance premium tax collections exceeded projections by \$1.9 million, resulting in biennium-to-date collections exceeding projections by \$3.4 million or 19.0 percent.

Oil and gas production tax collections exceeded projections for the month by \$426,087 while oil extraction tax collections exceeded projections by \$736,920. Combined collections for the two oil taxes are now \$20 million ahead of projections.



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